

Mr. GENE GREEN of Texas. Mr. Speaker, the best of America is to stay and fight and the worst is to cut and run. This Republican majority tax cut takes the money and runs. It does not stay and fight the deficit, it does not stay and fight for better education, stay and fight for summer jobs for teenagers, stay and fight for higher educational opportunity or stay and fight for job training for our future.

Tomorrow the Republican majority will bring this massive tax cut to the floor. Everyone wants a tax cut and so do I, but it is irresponsible with the huge deficit that we have. As a business person, I have used capital gains and investment tax credits to help the business that I help manage grow, but until we get our own economic house in order, cuts are irresponsible.

The bill makes the top 2.6 percent of families the winners with over 58 percent of the tax cuts. Corporations would be winners with repeal of the alternative minimum tax, which simply required a corporation to pay something, even if they made a profit.

Who are the people and the issues losing under this bill? Well, of course deficit reduction, because you cannot have a tax reduction without taking \$100 billion out of the effort to reduce the deficit.

Teenage summer jobs. Just two weeks ago we saw the House abolish for this year and next year the teenage summer jobs.

Grade school and college students. We saw \$100 million cut out of Federal funding for Chapter 1 funding education. College students, the reduction in the student loan program, and finally the losers are the taxpayers of America.

The Speaker calls this the crown jewel of the Contract With America. Well, this jewel is cracked. Why should hard-working Americans pay taxes while profitable corporations may pay nothing?

Why should seniors go cold in the winter and endure hot summers when the top 2 percent of Americans will receive the 58 percent of the capital gains cuts?

The Republican majority wish to point to the lack of responsibility in our Federal Government, but is it responsible to have a larger Federal budget deficit in 1999 than under current law? No, it is not.

Mr. Speaker, the first 100 days has been a blitzkrieg of cuts in education funding, summer jobs for teenagers, school lunches, denying legal and tax-paying immigrants assistance.

The contract has several issues which I agreed with and supported: Putting Congress under the laws that it passes, line item veto and unfunded mandates, and all of these issues needed to be addressed.

But the crown jewel will be paid for by cuts in safe schools and financial aid for the college students. Congress must not sell out the future for some of the good times for the wealthiest fami-

lies. The American people are tired of paying taxes, and I am willing to work to have cuts for Americans, but Congress would be irresponsible to explode the budget deficits simply to give tax cuts to a small minority of our Nation.

Mr. Speaker, we all want a tax cut, and their money is best left in their pocket, but it is irresponsible to our children and our grandchildren not to stay and fight for our future.

Mr. BAKER of California. Will the gentleman yield?

Mr. GENE GREEN of Texas. I will be glad to yield, Mr. Speaker.

Mr. BAKER of California. Did you vote for the \$17 billion rescission package and would you vote today to cut \$213 billion from this budget which is this year's deficit?

Mr. GENE GREEN of Texas. I would be more than happy. Last year I voted, in 1993 as we hear, I voted to cut \$250 billion out of the budget that did not have one Republican vote. I did not vote for the rescission because the rescission cut 2,000 jobs in my district of summer jobs programs.

Mr. BAKER of California. The rescission was 8 percent of the deficit.

Mr. GENE GREEN of Texas. On a short term basis, we are going to say, well, let's do not have those 2,000 people in my district or 6,000 in the City of Houston who have a summer job, let's put that money into abolishing the alternative minimum tax for corporations. Let's get our priorities straight.

Mr. BAKER of California. Mr. Speaker, the point I would like to make is you cannot cut your way out of this. You did not vote for the \$17 billion in cuts and you are not likely to vote to \$213 billion.

Mr. GENE GREEN of Texas. I will vote for cuts.

Mr. BAKER of California. You better pray that the tax reduction brings more revenue.

Mr. GENE GREEN of Texas. Reclaiming my time. I like a lot of Democrats will vote for cuts, but let's vote for cuts that do not take the cuts today and penalize those in the future. Let's vote like you said, let's grow out of this deficit, but you do not grow out of it by cutting job training funds, by cutting summer jobs programs. We want those youngsters to be productive citizens so they will pay those taxes 5 and 10 years from now, but if you cut the job training today and you cut their summer jobs, then growing out of this deficit is really a pie in the sky and a pipe dream, just like the 1981 tax cut was to balance the budget.

Mr. BAKER of California. If the gentleman would further yield.

Mr. GENE GREEN of Texas. I will further yield.

Mr. BAKER of California. Let me be honest, I will not vote to cut \$213 billion because it could not be done without hurting all the programs you are talking about. The capital gains tax and the alternative minimum tax will bring us more revenue and allow us to

balance the budget sooner. Thank you for yielding.

Mr. GENE GREEN of Texas. If I believed that rationale, I would be voting for it tomorrow, but obviously I do not.

□ 1945

BUDGET ITEMS INTERRELATED

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, we have heard a lengthy discussion of the tax cut that will be on the floor tomorrow. It is very relevant to the subject that I would like to discuss and that is the coming budget. It is all interwoven. You cannot separate one part from the other. The \$17 billion in rescissions that have been passed by the House already, the tax cut tomorrow, the coming budget that we will deal with in May, all of it is interrelated and very complex.

I wished there was some way to really simplify it so anybody could understand it without all of these lengthy discussions, but the discussion is necessary. The charts and the graphs, all of it is necessary but I think it could be summarized and we could take some guides to lead into an understanding of what is happening.

There are a few basic facts that must be understood from the beginning and I want to start by explaining an interchange, a dialogue that I had with one of the speakers where I said that under Jimmy Carter the deficit was less than \$100 billion and under Ronald Reagan it went up to \$400 billion. I want to correct that. The deficit for one year under Jimmy Carter never exceeded \$100 billion. I think the highest annual deficit that Jimmy Carter had in the budget was \$64 or \$68 billion. Under Ronald Reagan, it soared to an annual deficit of \$400 billion. It all added up to, between the time Jimmy Carter left and the time Ronald Reagan left and the present, a \$3 trillion difference. The deficit when Jimmy Carter left office was \$1 trillion, overall deficit, and it is now \$4 trillion. But the annual amount was as low as \$64 or \$68 billion under Jimmy Carter. It is the highest annual deficit that he ever created. Under Ronald Reagan it went up to more than \$400 billion.

Part of the reason it went up so high under Ronald Reagan was due to the fact that there was a philosophy dubbed by many before he was elected as voodoo economics which said that you could lower taxes, lower taxes but increase revenue. We have heard the same argument here on the floor today. Instead of offering it in a voodoo economic package, he came with higher mathematics and said something about cosines and sines and I guess what simultaneous equations must have shown. He said it was complicated. We

could not see the chart that he showed. But no matter how complicated you make it, he is still saying the same thing that Ronald Reagan said: You can lower taxes and at the same time increase revenue.

No matter how many charts you bring, experience, the years under Ronald Reagan and the years after that have shown us that the lower taxes produce lower revenues. Why do you have a deficit? Because the revenues could not keep pace with the spending. The revenues did not match the previous revenues even after you had found ways to lower taxes. It is simple and any high school sophomore would validate that. You cannot lower taxes and increase revenues at the same time.

That is a basic set that we have to put in place. We have to understand part of the problem is the continuing addiction to voodoo economics, the continuing addiction to a kind of magic, an attempt to make the public believe that you can have everything at the same time.

The Contract With America proposes, first, to balance the budget by the year 2002 in a 7-year period. We usually handle budgets over a 5-year period. They projected they could balance the budget by the year 2002 and they have issued a statement that any budget that comes on the floor of the House during the budget debate in May must show that it is on a glide path toward a balanced budget by the year 2002.

If it is on the glide path toward a balanced budget by the year 2002, it means about \$59 billion is the amount of the deficit 5 years from now. Our budgets are using 5-year projections, so the budgets that come to the floor will be for a 5-year period and you must show that the deficit is down to \$59 billion by the 5th year, which means that it is estimated in 2 more years that the budget would be totally balanced.

They have created that condition, the insistence that there must be a balanced budget by the year 2002. At the same time, the same Contract With America says we are going to increase the defense budget. We are going to increase the defense budget dramatically, although there is absolutely no need to increase the defense budget. I will talk about that later.

It insists that the defense budget must be increased. So you are going to balance the budget, you are going to increase the defense budget, and on top of that, there will be a cut in taxes, a cut in taxes which would generate additional deficit if you do not have simultaneous cuts in expenditures.

So we are down to the problem, is what shall the expenditures be that are cut. If you out there have asked the question, "Why did the Contract With America in the fine print or no print at all, why did it go into such strange budget saving tactics as cutting school lunches?" The Congressional Budget Office says that, yes, there will be a cut over a 5-year period, it is more

than \$2 billion when you add all the factors in. The conservative Congressional Budget Office confirms that there will be a cut of \$2 billion, a savings of slightly more than \$2 billion.

Why did the Republican majority reach into the school lunch program to get a paltry \$2 billion? Because that is part of what they need to make all of these magical things work together. In order to balance the budget by the year 2002 and give a tax cut, they need every dime they can get.

So they have reached into the school lunch program. They have reached into the Aid to Families With Dependent Children Program and related programs, food stamps. They have reached in there to get additional billions of dollars. They are cutting in order to be able to give the tax cut and at the same time move toward a balanced budget.

Why do we have to have in the middle of the year a rescission package which reaches into an existing budget? We are in this budget year now. We have allocated that money after a lot of deliberation. We authorized the money. We appropriated the money. It is in the budget now, but they reached in to get \$17 billion, slightly more than \$17 billion to pull it out in order to save money and move toward the balanced budget and to give money for a tax cut.

What do they get? What did they reach in to get? The biggest cut was on low-income housing in HUD. Seven billion dollars was cut out of the Department of Housing and Urban Development, most of it for low-income housing.

What did they get from education? Most of the programs they cut in education, \$1.7 or \$1.8 billion out of the education budget.

Now they are contemplating moving toward a cut in the student loan program. The student loan program is subsidized. We pay interest on the loans during the time the students are in college. And what they are saying is we will take that away, which increases the amount of the student loan programs to the students and places a burden on that segment of our population which we are most dependent upon to carry forward the America of the year 2000, the America of new world order which must have the best possible technicians and scientists and managers. They will come out of your colleges and universities.

So we are going to tamper with the mechanisms that allow us to educate students. We are going to lessen the numbers of students.

So these are the parameters of what we are dealing with. Where shall we get the money to balance the budget and, at the same time, give this tremendous tax cut to the rich?

Because I think all the charts confess, when it is all over, the charts say that the rich will get the biggest benefits on the Republican side. We heard arguments that, yes, the rich are pay-

ing the most taxes; and by, yes, they are paying the most taxes, they, in essence, said, of course they will get the benefits because they are paying the most taxes.

I am sure there are many Americans out there who would like to share in the wealth and would be happy to pay the taxes that the very wealthy pay. If they had more money they would pay more taxes, and they would be quite pleased to be in that category.

So any way you cut it there is an admission that the people who are going to gain most from the tax cut are the wealthiest Americans. They gave the percentages. They showed the graphs and the charts. I will not go back into that, but it is clear what is going to happen.

Then the last speaker issued a challenge: What are you going to cut if you are not going to deal with the deficit? It looks as if any Democrats who want to bring a budget to the floor of the House and offer that budget as an alternative budget is going to have to play by the rules that have been set by the Republican majority. They say you must present a budget which shows that it is going to be balanced by the year 2002.

Any budget that comes to the floor as a substitute, and we hope that they will allow substitute budgets as we have had in past years, will have to be on a glide path and have a deficit in 5 years of no less than \$59 billion.

So I am the chairman of the Congressional Black Caucus alternative budget. We are working hard to prepare that alternative budget. We accept the challenge. We do not think that it is necessary.

We do not think that you should create an artificial crisis the way the Republican majority has done. They created an artificial crisis, and we have to squeeze everybody very hard in order to meet these artificially created goals. But if that is the challenge, we accept the challenge.

The last speaker sort of threw that challenge to the Democrat side here and said, "What are you going to cut." Well, we say that we will balance the budget. We will cut what is necessary in order to balance any budget we bring, and we are going to make cuts that need to be cut.

There is waste in government. There is waste in government that can be cut. There is waste in the defense budget that can be cut. There is a bloated CIA that can be cut. There are places where we will show that the American people can get a better deal with a more streamlined government without having to cut the people who are most in need.

The Congressional Black Caucus will again offer its own substitute budget as we move toward the year 2000 and into the 21st century. More than ever before, our alternative budget is needed to offer a vision of America which includes all of the people.

The vision of America offered by the Contract With America and the Republican majority is a vision for an elite minority. An elite minority will be taken care of, and they are proposing to go dump overboard certain other groups. They are going to play a game of triage and just forget about certain segments of America.

They have cut part of the budget which deals with children with disabilities. Part of the Social Security budget has already been proposed to be cut. They are cutting school lunch programs. They are going to cut the aid to dependent children programs. Whenever they are cutting, low income housing, the HEAP program which provides money for heat for people during the winter, all of those cuts are for people most in need. Americans who are most in need are the ones who are going to be cut.

We are going to show how we can offer a vision of America that does not play the game of triage, that is a vision of America which includes all of the people.

To counter the scorched earth approach of the oppressive elite minority which presently controls the House of Representatives, the Congressional Black Caucus must discharge its longstanding obligation to present a budget which promotes the general welfare and advances the interests of the caring majority. The overwhelming majority of American people can be taken care of in the process of moving toward the year 2000 and balancing the budget and streamlining government.

The CBC, the Congressional Black Caucus caring majority alternative budget will encompass the interests of all Americans. However, it will also represent a moral counterattack against the forces of the oppressive elite minority which have launched a blitzkrieg against the political, economic and social infrastructure of the African-American community. Our budget will speak for the caring majority of America.

It will also specifically address the issue of what the oppressive elite minority which presently controls the House of Representatives intends to do to the black community in America, to the African-American community. We have been singled out for special attention. Black people in America are presently being subjected to a powerful and dangerous double-barrel assault. Devastating budget cuts of programs developed over the last 60 years threaten to deny basic necessities to ordinary black citizens and thus break their spirits and cripple their will to fight back.

□ 2000

At the same time, a dirty war, assault on affirmative action, designed to serve as a campaign weapon in the 1996 elections, will seek to brainwash America into the belief that every black is a new kind of Willie Horton threatening to rob them of their job.

You will recall in the Bush campaign against Dukakis, they were running neck and neck until an advertising campaign was introduced of a monstrous person who had been in prison and released and committed murder and all of a sudden, all you saw on the screens was this black Willie Horton and the threat that he was to the American people and that turned the tide and the polls began to show Mr. Bush climbing over Mr. Dukakis.

It was such a great success, it has been repeated in various ways since then. In the campaign of Harvey Gant against a senator, who is now sitting in the Senate from North Carolina, there was a close race until the senator from North Carolina introduced a campaign ad which showed a white hand with a job application and a black hand reaching out to take the job application away from them. So that kind of racist appeal, the gut racist appeal, has proven to be workable.

It is a case where civilized people appeal to very primitive instincts. Parties that used to act very responsibly, both the Republican party and the Democratic party, the leadership at one time refused to succumb to the temptation to make their campaigns racist. But the Republicans broke with that tradition when Ronald Reagan decided to go to Philadelphia, MS and launch his campaign. Philadelphia, MS is a place where three civil rights workers were murdered, two Jewish young people and a black—Chaney, Schwerner, and Goodman were murdered in Philadelphia, MS. Mr. Reagan chose to go there to launch his campaign and send a message to the south and the people who believed, like those in Philadelphia, MS, that there was a new Republican party.

And since then the use of racism, the use of racism in campaigns has been dignified, has been made acceptable. So we go from Philadelphia, MS to Willie Horton and now the kingpin of the 1996 campaign is going to be an assault on affirmative action.

The budget process is one attack on the African-American community. The assault on affirmative action is the other.

Tonight I am dealing with the budget process. For African-Americans, the present declaration of war by the oppressive elite majority which controls the Congress represents the clearest and most overwhelming threat to the black community since the first black reconstruction effort was brutally demolished shortly after the Civil War. There were many Members of Congress who were black at one time and, shortly after the Civil War, when the reconstruction effort was underway, they came into Congress. And after the Hayes agreement, the blacks were driven from office all over the country. And the Ku Klux Klan began the riots and murder, brutality, lynching, 100 years of that took place.

So we are not going back to that, but there is an attempt to roll us back into that by taking the second reconstruction, we call the second reconstruction from the time of Martin Luther King, the Montgomery bus boycott to the time we got the Voting Rights Act.

It was the launching of the second reconstruction, that reconstruction now they are going to attempt to demolish. The CBC caring majority alternative budget will be a major component of the master plan which will guide the counteroffensive that we must launch in order to guarantee our survival. Because this budget will clarify and highlight important goals and objectives for all of us, it will serve to strengthen and accelerate a renewed struggle by the African-American community with the help of the other millions who make up the caring majority. The other millions are the enlightened white Americans, Latinos, Asians, native Americans, Jews, Christians, immigrants, and important people everywhere.

We are confident that with their help, the total caring majority, we will be able to defeat the deadly design of the oppressive elite majority. We are confident that we should be able to overcome.

We have, in the Congressional Black Caucus, laid out a set of about 11 basic principles and themes that will guide our preparation of the budget. As you know, we will not be doing the budget until May. The Committee on the Budget is late in that process so we will not be considering it on the floor here until May. But we have set out a set of principles that will guide us.

First of all, we began by condemning the entire rescission package that I have just spoken about a few moments ago. The rescission package was the launching of those devastating cuts primarily aimed at the poor, the urban poor and more specifically aimed at the African-American community. At least 65 percent of the cuts in that \$17 billion rescission package, 65 percent of those cuts are aimed at poor urban communities. We condemn that. We hope that the President will veto that package. We hope that the Senate, first of all, the Senate will make some drastic changes. But if they do not make those changes, we hope that the President will veto that package. It is necessary that those \$17 billion in cuts not take place in this year's budget.

We also particularly condemn the zeroing out of the Summer Youth Employment Program. We call for the immediate restoration, as the number one item that is most urgent, immediate restoration of the summer youth employment program. The Summer Youth Employment Program provides jobs for teenagers during the summer. It is a very successful program. It has worked very well. Nobody challenges its effectiveness. It provides 32,000 jobs in New York City. And in big cities all across America it provides thousands of jobs during the summer for teenagers.

Why must this program be zeroed out? No reason has been given except that it is part of the plot aimed at the poorest communities, the urban communities and particularly aimed at the African-American community. We insist that the teenage employment program in the summer be restored.

Item three is the basic principle that we support a tax cut for the working class, as set forth in the progressive caucus budget. They have a tax cut for the people who make the least amount of money, and we are united with the progressive caucus on giving a tax cut to the people who are working people and need the cut the most.

Item five, we support the establishment of a commission on creative new revenue options to develop new sources of Federal revenue and shift the primary tax burden from personal income taxes.

I agree with the other side that personal income taxes should be cut. We should find ways to cut them and cut them fairly. Personal income taxes are too great a portion of the overall Federal revenue package.

There was a time when corporate income taxes bore at least half the burden of the Federal revenue package. Corporate income taxes need to be raised. But that is not creative. That is just an adjustment that needs to happen. We need to look at more creative sources of revenue.

As I have said on this floor before, we are selling the spectrum above us. There was a time when the Government gave land out to people. They did not sell it. When this country was first established, you got land grants and there were land rushes, various ways that people were almost given the land.

Now we have above our heads a realization that above our heads is wealth. The atmosphere above our heads, the spectrum can be sold and is being sold. Why not find ways to get more revenue from the leasing or the selling of the spectrum?

Technology has brought us to this point. The technology was produced by the genius of people over many, many years, but it has brought us to the point where suddenly the atmosphere above our heads is valuable. It is worth a great deal of money. Let us find a way to tax that for the benefit of all Americans. That is just one of the taxes.

Let us place a royalty on all the products that have been developed with Government research. Let us go back and place a royalty on them and let us make certain that all future products developed with Government research have a royalty on them which exists forever, going to the American people, giving the American people the benefits of those technological advances.

There are a number of ways we could change the tax structure, end personal income taxes as we know it. Get rid of personal income taxes or bring it down to such a low level that it is a minor part of the budget by finding other cre-

ative ways to tax people. We want to call for this commission.

I see the leadership of the Senate, the Republican leadership of the Senate, the Republican leadership of the House have called for a similar commission. We join with them in the call for the commission, and we would like to offer some ideas. And if they are not going to be creative, we call for creation of a special commission that is going to look for real creative options and not find new ways to bleed the same old people with personal income taxes.

We have a very important item in this set of principles with respect to cutting programs and cutting expenditures. We support means testing for all agricultural subsidy programs. Here is a bombshell. Here is Republican pork. Here is rancid Republican pork.

Go look in the districts of people who represent Kansas and a large part of the Midwest, who claim that they do not want any help from Government. They have been getting help from Government for years and years. A program created by the New Deal to help farmers has been expanded to a program which is an almost racketeering enterprise. Checks are being pumped into big cities to people who have never set foot on a farm. So the agriculture subsidy programs and various programs run by the Department of Agriculture need to be examined closely.

We propose to streamline and downsize the huge Department of Agriculture. They did a great job so we have a most effective industry, an agriculture industry that is unparalleled anywhere in the world. Government can step out now. The agriculture does not need to be the second largest bureaucracy. Right now the Department of Agriculture is the second largest bureaucracy in the country, second only to the Pentagon in the number of employees.

Instead of calling for the eradication of the Department of Education, which we need very badly, let us downsize and streamline the Department of Agriculture. We will show you how to save money in that process.

We support the collection of fees for the difference between current rates and market rates for electric power, the various power marketing commissions, administrations are giving away revenue that could be gained by charging market rates for electricity where Federal projects are involved in pricing that electricity.

We support the maintenance of foreign aid at the present level. We support the continuation of Federal benefits to all eligible immigrants. We support the elevation of education and job training as the highest priority item in the budget. We are going to offer increases. We are going to call for increases in education programs. We want Head Start to be available for all eligible children, all eligible children. We want no cuts in the college student loan programs or the work study programs or anything related to higher

education. We are going to place the increases where they should be.

Finally, we will call the drastic cuts in defense. We do not need, after the cold war is over and the evil empire is defeated, we do not need to spend \$28 billion, \$28 billion for the CIA. We could, over the 5-year period, cut the CIA by 10 percent a year and by the fifth year you would have it down to about a \$14 billion budget. Nobody really knows. This is a conservative estimate, that the CIA and intelligence agency budget is \$28 billion.

First of all, we would like to end the secrecy. We see no reason why the American people cannot know exactly what this fumbling, very deadly, some things have been revealed, it is a very dangerous agency. It should let the American people know what the budget is. We want to cut the budget that is there.

We certainly want to cut the F-22. The F-22 is a fighter plane, the most sophisticated ever conceived. It is being manufactured in the district of the Speaker of the House, Marietta, GA. It has great benefits for the district, but we do not need it. We do not need a super-sophisticated fighter plane because we already own the most sophisticated fighter plane already. If the Russians are not building another one, no other country is building another one, why do we need a plane to compete with our own sophisticated fighter plane?

So we will cut the defense budget. The Congressional Black Caucus budget will go forward to achieve balance, but we will show you where the waste is. We will show you what sensible, compassionate people will look at.

We can cut without throwing people overboard. We can cut and have a balanced budget, a sensible budget without cutting school lunches, without making the lives of senior citizens miserable. We do not want to touch Medicaid. We do not want to touch Medicare. We can show you what the vision of America should really be like.

We represent the caring majority as opposed to the oppressive elite majority. Our budget will reflect that. The caring majority budget will be for all of the people of America.

□ 2015

REAL TAX RELIEF FOR THE AMERICAN PEOPLE

The SPEAKER pro tempore (Mr. BILBRAY). Under the Speaker's announced policy of January 4, 1995, the gentleman from Pennsylvania [Mr. FOX] is recognized for 60 minutes as the designee of the majority leader.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate this opportunity to speak up on behalf of the American people, I think, who are waiting for the House of Representatives to take its first step towards real tax relief.

The fact of the matter is there are three goals that the American people